



U.S. Department of Justice

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August 9, 2006

The Honorable Gregory M. Sleet  
J. Caleb Boggs Federal Building  
844 N. King Street  
Room 4324  
Lockbox 19  
Wilmington, DE 19801

Re: *Delaware Audubon Society, et al. v. Secretary, U.S. Department of the Interior, CA*  
No.06-223 (D. Del.)

Dear Judge Sleet:

The purpose of this letter is to inform the Court on the status of ongoing settlement discussions between the parties in the above referenced matter.

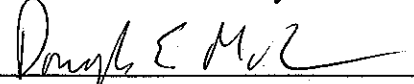
The parties have been actively engaged in discussions related to settlement of the issues in this case. The parties have exchanged written settlement proposals and had several productive telephone conferences. The parties have made substantial progress in those negotiations and are scheduled to meet by telephonic conference on Thursday, August 10<sup>th</sup>, to determine whether an agreement can be reached in principle.

It is the United States' position that these discussions may result in resolution of all matters between the parties and could result in dismissal of the matter.

The United States will provide a further update to the Court on the status of the negotiations after the August 10<sup>th</sup> meeting.

Very truly yours,

COLM F. CONNOLLY  
United States Attorney

BY:   
Douglas E. McCann  
Assistant United States Attorney

cc: Vivian Houghton, Esquire